January 28, 1976

SENATOR KEYES: Then the bond, two days kill, is certainly not 23 million dollars, 10 million dollars at the packing house 2 days kill at that place is about 2500 head of cattle and that would be only about 1,200,000 dollars worth of cattle and they still could go broke and this wouldn't solve it.

SENATOR SCHMIT: Well Senator Keyes there are other safe guards in the amendment. It was you yesterday that challenged the necessity of the original provisions of 544 and the two day requirement is the identical provision that was included in 544. I would prefer to have made it five days, and that was the original intent of the bill. But, the committee, we reviewed that authority and this is in keeping with other bonding provisions in the midwest and I think should provide enough safeguard, providing that we sufficiently staff the Department of Agriculture so that they can monitor the activities of these packing companies. The statutues or the rules and regulations without enforcing personnel is of no value. I believe in this matter we are going on record as being in favor of that.

SENATOR KEYES: The main thing that I object too is that if a man has enough assets to cover it, it seems a shame to add another cost to the operation of the packing houses of Nebraska, another cost when the man has plenty of money and I don't believe in doing that, and you have already admitted that this kill, that this two day kill will not cover the loss that American Beef has.

PRESIDENT: Senator Shirley Marsh.

SENATOR MARSH: Mr. President, I have a question of Senator Schmit. I would be interested in knowing then, who is not according then the decorum apparently they feel that they don't have the authority, who doesn't feel that they have the authority. I just didn't know where the problem is arising?

SENATOR SCHMIT: Senator Marsh, I don't believe that there is any doubt in the mind of Mr. Kruescher that he has the authority now, but the question that came to my mind was that if the authority is there now, then it was there a year ago, it was there two years ago, or five years ago. I know that some of the packers that came to us, indicated that they thought that they were sufficiently complying with the 1969 livestock protective act. So, in order to remove the doubt as to the authority, I decided that the amendment should be adopted and placed into session. Mr. Kruescher thinks that he has the authority, I'm not sure that he does and I don't want to be caught in another bind like we had previously in the event that some packer refuses to comply with the rules and regulations laid down by the department.

SENATOR MARSH: Thank you.

PRESIDENT: Senator Dworak.